Budget at a glance: 2007/08 Western Cape Northern North West Eastern Cape Cape 2.7% Moumalanga ree State 6.3% 8.2% Limpopo 13.1% Gauteng Kwa7ulu. 16.5% Natal

KwaZulu-Natal receives the largest share of equitable share revenue at 21 per cent, followed by Gauteng at 17 per cent.

Summary of Revised Budgets by Departments, 2007/08 MTEF

R000		Main Budget	Medium-term estimates (R000)			Annual percentage growth		
	'	2006/07	2007/08	2008/09	2009/10	2007/08	2008/09	2009/10
1. Premier		294,740	332,159	360,730	387,738	12.7	8.6	7.5
2. Provincia	al Parliament	139,235	178,081	185,638	199,518	27.9	4.2	7.5
 Agricultu 	re and Environmental Affairs	1,298,906	1,507,802	1,628,446	1,892,633	16.1	8.0	16.2
4. Econom	ic Development	390,052	1,394,441	2,792,213	3,174,003	257.5	100.2	13.7
Education	ın	16,209,078	18,630,316	20,457,547	22,678,919	14.9	9.8	10.9
Provincia	al Treasury	1,069,780	649,493	827,507	883,120	(39.3)	27.4	6.7
7. Health		11,736,761	13,423,315	14,375,559	15,792,291	14.4	7.1	9.9
8. Housing		1,252,133	1,520,850	1,796,788	2,096,708	21.5	18.1	16.7
9. Commu	nity Safety and Liaison	50,818	78,800	98,532	123,111	55.1	25.0	24.9
10. The Roy	al Household	31,409	36,479	39,032	41,959	16.1	7.0	7.5
11. Local Go	overnment and Traditional Affairs	595,585	768,070	935,834	1,096,854	29.0	21.8	17.2
12. Transpo	rt	2,415,983	3,066,372	3,501,226	4,078,550	26.9	14.2	16.5
13. Social W	/elfare and Population Development	894,810	1,000,360	1,005,331	1,095,731	11.8	0.5	9.0
14. Works		451,523	479,419	512,494	550,915	6.2	6.9	7.5
15. Arts, Cui	lture and Tourism	254,726	287,394	313,838	347,070	12.8	9.2	10.6
16. Sports a	nd Recreation	106,071	161,177	174,919	220,740	52.0	8.5	26.2
Total		37,191,610	43,514,528	49,005,634	54,659,860	17.0	12.6	11.5

The total budget for the 2007/08 financial year is R43,5 billion. This is 17 per cent higher than last year's budget of R37,2 billion.

Summary of Total Receipts and estimates by vote

R000	Outcome Audited Outcome	Estimated actual	Medium-term estimates			
	2005/06	2006/07	2007/08	2008/09	2009/10	
Transfer receipts from national	31,832,888	36,032,918	42,091,387	47,508,414	53,065,349	
Equitable share	28,398,760	32,052,488	37,067,018	41,870,497	46,697,600	
Conditional grants	3,434,128	3,980,430	5,024,369	5,637,917	6,367,749	
Provincial own receipts	1,227,267	1,369,108	1,423,141	1,497,220	1,594,511	
Total	33,060,155	37,402,026	43,514,528	49,005,634	54,659,860	
	200 251	007.070	004 545	4 000 000	4.000.400	
Tax receipts	822,356	927,872	981,515	1,038,032	1,093,697	
Non-tax receipts	310,750	384,835	400,165	418,700	457,419	
Sale of goods and services other than capital assets	198,036	211,713	231,213	248,898	272,654	
Fines, penalties and forfeits	19,253	23,981	28,030	30,031	33,733	
Interest, dividends and rent on land	93,461	149,141	140,922	139,771	151,032	
Transfers received	-	-	-	-	-	
Sales of capital assets	20,222	19,235	16,670	18,703	20,977	
Financial transactions	73,939	37,166	24,791	21,785	22,418	
Total	33,060,155	37,402,026	43,514,528	49,005,634	54,659,860	

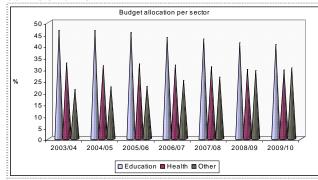
The summary of the three developmental Strategies for 2007

This year's budget is informed by 3 developmental strategies namely:

- 1. Stimulate sustainable economic growth
 Promote foreign direct investments and
 infrastructure investments such as Dube Trade Port,
 2010 Soccer Stadium and roads; Fast-tack Growth
 Fund projects; support sport events such as A1
 Grand Prix; boost tourism; and support music and
 film industries.
- Employment creation and empowerment
 Promote Provincial BEE's, support co-operatives,
 SMMEs programmes, agrarian revolution, and EPWP;
 encourage business process outsourcing and promote the culture of savings.
- 3. <u>Improve service delivery</u>
 Provide adequate funds for Education, Health and Social Welfare; strengthen good governance; fight fraud, corruption and general crime.

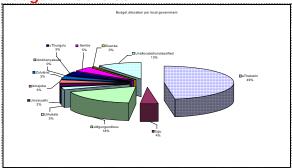
The 2007/08 MTEF budget is people oriented with 74 per cent of total provincial resources allocated for Education (43 per cent) and Health (31 per cent). The remainder is allocated towards other sectors such as Housing, Social Welfare & Population Development, Agriculture, Transport, Works, Community safety, Sport, Arts, etc.

Budget allocation per sector: 2003/04 to 2009/10



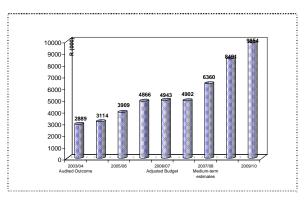
The spatial distribution of the budget reveals that more than half of the 2007/08 budget is spent in the eThekwini (49 per cent) and uMgungundlovu district municipalities (18 per cent). These two municipal areas are the biggest and have the highest number of people in need of basic services.

Spatial distribution of provincial budget -2007/08



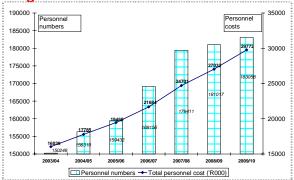
Infrastructure expenditure

шате	Estimatori artual	Mediumtermestimates			
Audited	Landoudada				
2005/06	2006/07	2007/08	2008/09	2009/10	
3,214,399	4,026,704	5,354,763	7,298,541	8,496,253	
979,208	1,149,364	1,555,861	1,690,057	2,150,924	
1,225,233	1,536,150	1,900,469	2,133,218	2,373,712	
225,400	215,200	385,720	336,643	419,258	
784,563	1,125,990	1,512,713	3,138,623	3,552,359	
694,408	875,792	1,005,005	1,192,415	1,358,098	
3,908,807	4,902,496	6,359,768	8,490,956	9,854,351	
	Audted 200506 3,214,399 979,218 1,225,233 225,410 784,563 694,418	Artled 20066 20060 20060 405,782 405,784 125,233 1,56,53 25,440 265,84 265,782 66448 855,782	Actled 20060 20060 20060 32439 406,704 153,615 153,615 153,615 150,616 152,523 153,615 150,616 152,73 152,7	Actiled 200607 200008 200909	



The infrastructure expenditure is essential for service delivery. The government intends to double its expenditure in infrastructure between 2006/07 and 2009/10 to ensure that marginalised communities are best serviced. Infrastructure is made up of capital expenditure of R5,4 billion (84 per cent) and current expenditure of R1,0 billion (16 per cent) in 2007/08.

Wages and salaries

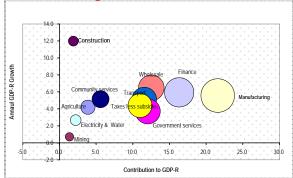


To improve the quality of service delivery, government is determined to increase the number of personnel from 179,411 in 2007/08 to 183,068 in 2009/10. Wages and salaries are also increasing. This increase should contribute to increased delivery capacity.

HIV and Aids

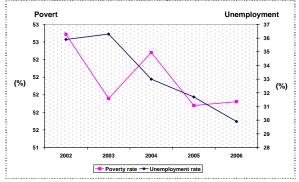
The health budget will strengthen our campaign against HIV and Aids through encouraging the programme of voluntary testing, counselling and increasing the number of people receiving antiretroviral therapy. The allocations provided will enable the Department of Health to fulfill their plan to increase the number of people receiving Anti-Retro-Viral Treatment from the current 30 per cent of patients who qualify for ARVs to reach the targeted 70 per cent by 2009. Budgetary allocations to this programme rise from R988 million in 2007/08 to R1,3 billion by 2009/10. The increase in personnel allocation makes provision phased implementation of the Health Professionals Remuneration Review and increase in the number of posts of the health professionals.

The Economy



The provincial GDP grew by 4.9 per cent in 2005. Construction is among the least in terms of contribution to the province's GDP-R, however, it grew the fastest by 12 per cent. The manufacturing industry had the highest contribution to the KwaZulu-Natal economy (22 per cent) but with low growth rate.

Poverty and unemployment



The decline in poverty and unemployment between 2003 and 2006 was in line with the revival of the provincial economy as a whole. Co-operative programme will also continue to play a major role in job creation in the province. Since its inception, over 4,000 co-operatives have enrolled for the programme, 7,130 jobs created, and R169,6 million paid out to fund the co-operative businesses.



Province of KwaZulu-Natal

BUDGET HIGHLIGHTS

2007/08 MTEF Budget
Tabled by Dr. Z.L. Mkhize, MEC for Finance
and Economic Development



Journey to Prosperity

People's Budget 2007

"A Budget that turns hope into reality, builds the economy through partnership, and fights poverty"

KwaZulu-Natal Provincial Treasury 145, Chief Albert Luthuli Road P O Box 3613 Pietermaritzburg 3201

> Tel: 033 - 8974200 Fax: 033 - 8794316

Website: www.kzntreasury.gov.za